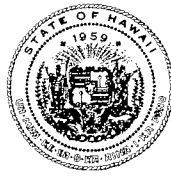


NEIL ABERCROMBIE
GOVERNOR



STATE OF HAWAII
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND


P.O. BOX 2121
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ACTING ADMINISTRATOR
MARIE C. LADERTA

December 28, 2010

TO: Hawaii State Teachers Association VEBA **Retirees**

FROM: Marie C. Laderta, Acting Administrator 

SUBJECT: Information Regarding Transitioning to EUTF Plans Created Specifically for HSTA
VEBA **Retirees** and Open Enrollment

The Hawaii Employer-Union Health Benefits Trust Fund (EUTF) created new health and life insurance benefit plans for HSTA VEBA **retirees** in response to the December 7, 2010 oral ruling by Judge Karl Sakamoto. The new plans offer HSTA VEBA retirees the same standard of coverage in benefits that they enjoyed under their HSTA VEBA retiree plans. All HSTA VEBA retirees will be transitioned to the newly created EUTF plans that offer the same standard of coverage in benefits on January 1, 2011.

HSTA VEBA retirees will also be allowed to participate in EUTF's open enrollment starting January 3, 2011 and ending January 24, 2011. This open enrollment period is solely to provide the HSTA retirees with a one-time opportunity, until the next open enrollment period, to switch to the EUTF health plans and other benefit plans available to all other retirees of the State and County governments, effective March 1, 2011.

Below are questions and answers that we hope will be of help to you.

Q1. I understand the EUTF must offer HSTA VEBA retirees the same benefits that we have in our HSTA VEBA retiree plans. Is that correct?

A1. Yes. Judge Sakamoto's December 7, 2010 oral ruling stated that HSTA VEBA members/retirees are entitled to the same standard of coverage in benefits when transitioned to the EUTF on January 1, 2011. EUTF has created new retiree plans specifically for HSTA VEBA retirees that will provide the same standard of coverage in benefits as you receive in your HSTA VEBA retiree plans.

Q2. My HSTA VEBA benefit bundles my medical, prescription drug, vision and chiropractic coverage. Will EUTF do the same for the plans they are creating for us?

A2. Yes. EUTF has created bundled plans that provide the same standard of coverage in benefits currently being provided under the HSTA VEBA bundled retiree plans, in response to Judge Sakamoto's oral ruling. See Q&A 3 below.

Q3. When my health and life insurance plans convert to the plans that EUTF specifically created for HSTA VEBA retirees, will the insurance carriers remain the same?

A3. In most situations, yes. However, the life insurance carrier changes from Pacific Guardian to Standard Insurance Company. See the conversion table below.

VEBA Retirees – Effective Jan. 1, 2011

Current VEBA Retiree Plans	EUTF Retiree Plan (created for HSTA VEBA retirees)	Premiums/Rates 1/1/11
Kaiser Medical & Drug, VSP Vision, & Chiro	Kaiser Comp & Drug, VSP Vision, & Chiro	Medicare Eligible Employees: \$345.24 \$673.94 \$996.04
		Non-Medicare Eligible Employees: \$562.88 \$1098.34 \$1625.04
HMSA 90/10 PPO (fully insured) Medical and Drug, VSP Vision, & Chiro	HMSA 90/10 (fully insured) Medical and Drug, VSP Vision & Chiro	Medicare Eligible Employees: \$367.40 \$716.76 \$1059.80 Non-Medicare Eligible Employees: \$589.48 \$1149.34 \$1701.18
Primary HDS Dental Plan	Primary HDS Dental Plan	\$31.54 \$61.58 \$75.42
Pacific Guardian	Standard Insurance	\$4.16 (no change in premiums)

Q4. I am a retiree who pays part of the premiums. The HSTA VEBA retiree plans have 2-tier premiums: Self and Family. Will EUTF retiree plans also have 2 tiers?

A4. EUTF retiree plans have a 3-tier premium structure which you will automatically be converted to: Self, 2-Party (2 people), and Family.

- If you are only covering yourself under the HSTA VEBA plans, EUTF will convert you to EUTF's 'Self' only rates.
- If you have two people covered under your HSTA VEBA plans, EUTF will convert you from the VEBA's Family rate to the EUTF's 2-Party rate.
- If you have three or more covered under your HSTA VEBA plans, EUTF will convert you to the EUTF's Family rate.

Q5. Although most retirees do not pay anything for their plans, I am a retiree who must pay for part of the premium for my retiree health plans. Will my cost remain the same?

A5. No. See Q&A 3 above. EUTF will be sending you in January 2011 a worksheet that indicates the amount you need to pay.

Q6. Can I participate in EUTF's January 3, 2011 to January 24, 2011 open enrollment. Can I attend the open enrollment sessions?

A6. Yes. Attachment #1 is a schedule of open enrollment informational sessions which will be held statewide. Although the open enrollment sessions are geared for active employees, retirees may attend. Representatives of the health plan insurance carriers will be present at the sessions to provide information about their health/life insurance plans' benefits and answer questions you may have. A representative from the EUTF will also be present should you have questions.

Q7. If I don't want to stay in the plans EUTF created specifically for HSTA VEBA retirees, can I switch to other EUTF plans that are available to other State and County government retirees?

A7. Yes. You can do so only during the open enrollment period (January 3, 2011 - January 24, 2011) and the change will be effective from March 1, 2011. Please note that once you switch to EUTF's plans available to all other State and County retirees, you will never be allowed to switch back into the EUTF plans specifically created for HSTA VEBA retirees.

Q8. During open enrollment, if I want to switch to another one of the plans specifically created for HSTA VEBA retirees, will I be allowed to do so? In other words, would I be able to switch from the VEBA-type Kaiser plan to the VEBA-type HMSA plan?

A8. No. You will only be allowed to switch from the plans EUTF created specifically for HSTA VEBA retirees to the EUTF plans available to all other State and County retirees.

Q9. During open enrollment, if I do not want to switch to the EUTF plans available to all other State and County retirees, but want to add or drop a dependent under the plans EUTF created for the HSTA VEBA retirees, can I do that?

A9. Yes.

Q10. For open enrollment, who can explain the difference in benefits coverages between the EUTF plans specifically created for HSTA VEBA retirees and the EUTF plans available to all other State and County retirees?

A10. There are a few options:

- You can attend one of the open enrollment informational sessions. Representatives from the various insurance carriers will be there and you can visit their table to talk with them.
- You can contact the carriers at the numbers listed in Q&A 22.

Q11. If I stay in the plans that EUTF specifically created for HSTA VEBA retirees, will I be allowed to add my 25 year old dependent right away since the federal Health Care Reform mandated that insurance plans include this?

A11. No. Federal Health Care Reform does not apply to retiree plans. So no matter which EUTF retiree plan you enroll in, you will NOT be allowed to add any dependent age 24 or 25.

Q12. The conversion chart in Q&A 3 shows that my life insurance is switching from Pacific Guardian to Standard Insurance. You said that I will have the same standard of coverage in benefits, but will my beneficiary designation transfer from Pacific Guardian to Standard Insurance?

A12. No. Standard Insurance will be sending you a beneficiary designation form shortly. Be sure to complete it and mail it back to Standard Insurance promptly.

Q13. Will the EUTF be providing HSTA VEBA retirees with an updated Reference Guide (informational booklet) during the open enrollment period?

A13. No. Your standard of coverage in benefits will not be changing from your HSTA VEBA retiree plans if you stay in the plans EUTF created specifically for HSTA VEBA retirees. If you wish to change to EUTF's retiree plans, review the 2011 Reference Guide for

retirees that was mailed to you in October 2010. It can also be viewed on EUTF's website at: www.eutf.hawaii.gov. Click on "2011 Open Enrollment Information". Then click on "2011 Retiree Open Enrollment Notices."

Q14. I'm an HSTA VEBA retiree and I completed an EC-2 Enrollment Form in October 2010 (during the open enrollment EUTF provided) to make a change. Will this EC-2 be processed by EUTF?

A14. No. On January 1, 2011 you are being automatically converted to health and life insurance plans that EUTF created for you with the same standard of coverage in benefits offered under your HSTA VEBA retiree plans. If you wish to change to EUTF's retiree plans that are available to all other State

and County retirees, you must complete a new EC-2 and mail it to the EUTF. It must be postmarked by January 24, 2011. EUTF's mailing address is: EUTF, P.O. Box 2121, Honolulu, HI 96805-2121.

Q15. How do I get a copy of the EC-2 Enrollment Form?

A15. You can use the EC-2 in the 2011 Reference Guide that was mailed to you in October 2010, or the EC-2 form can be found at EUTF's website: www.eutf.hawaii.gov. Click on: EUTF Forms.

When completing the form, be sure to check off **all** plans you wish to enroll in. Boxes left blank will be considered as you waiving coverage.

Q16. Regarding the EC-2 form:

a. If I submit an old EC-2 form, and not the latest EC-2 form that was revised in August 2010, will EUTF still accept the old form?

No. Therefore, please check the upper left corner of the form to be sure it says "Revised Aug. 2010."

b. Do I need to complete Section 2?

No. Section 2 is only applicable for health plan enrollments or changes retirees wish to make in the middle of a plan year due to a qualifying event, i.e., adoption, birth, marriage, new domestic partnership, new eligible student.

c. Regarding Section 4, do I need to enter information on my dependents, even if I am only making a health plan change and have no changes to my dependents' information?

Yes. If you are making a health plan selection under Section 3 of the EC-2 form, you also need to complete Section 4 regarding Dependent Information if you wish to cover any dependents. If you do not list any dependents on the form, it will be assumed that you do not wish to cover any dependents.

Q17. I want to enroll in either EUTF's HMA or HMSA plan, but they both don't have prescription drug coverage. I need drug coverage. How can I get it?

A17. If you enroll in the EUTF HMA or EUTF HMSA plan and need prescription drug plan coverage, enroll in the informedRx Prescription Drug Plan. If you do not check the appropriate box on the EC-2 form to enroll in that plan, it will be assumed that you do not want prescription drug plan or vision plan or dental plan coverage.

Q18. If I mail and postmark my EC-2 form to EUTF, and they get it a few days later, will my form still be accepted?

A18. Yes, as long as the postmark is January 24, 2011 or earlier it will be accepted.

Q19. If I turn in my EC-2 form by January 24, 2011, (meaning if my EC-2 form is received by EUTF by that date), when can I expect to receive my new membership cards?

A19. You should receive your new cards by the end of March 2011. Even though your cards may not arrive until the latter part of March, **YOU WILL BE COVERED STARTING MARCH 1, 2011.** EUTF will provide the health plan carriers with computer files on a weekly basis, as the EC-2 forms are processed, so that the carriers can update their files accordingly. However, if you need to go to the doctor or fill a prescription and have a problem because your doctor or pharmacy is not able to verify your coverage for some reason:

- Send EUTF an email at: eutf@hawaii.gov. In the subject line, type in: URGENT (HSTA-R) – Need Confirmation of Coverage. EUTF will check this email box daily and will send the carrier a rush notice of your coverage. You will get an email response from EUTF so that you will know your email was received. The following insurance carriers issue membership cards: HMSA, HMA, Kaiser, and HDS.
- If you cannot send EUTF an email, then call the EUTF Call Center at 586-7390, or Neighbor Island retirees may call us toll-free at 1-800-295-0089.

Q20. If I DO NOT submit an EC-2 form, will my enrollment in the plan(s) that EUTF specifically created for HSTA VEBA retirees and transitioned me into on January 1, 2011 automatically continue?

A20. Yes.

Q21. If I turn in an EC-2 form during open enrollment, will I receive any confirmation of my change?

A21. Yes, but only if actual enrollment changes were made. EUTF will mail a confirmation notice to you at your last known mailing address. Therefore, if you recently changed your mailing address, be sure to put your updated address on the EC-2 form and check the box that says “Check this box if your address has changed.”

You should receive the confirmation notice on or before March 1, 2011, depending on when your enrollment transaction was processed and if there were any problems with your mailing address or form (e.g., missing information). When you receive the confirmation notice, please review it carefully to make sure the changes you requested were made.

Q22. If I have other questions, who can I contact?

A22. There are several ways to get information:

- a) Attend one of the many open enrollment informational sessions scheduled (see Attachment #1).

- b) Check the EUTF website at: www.eutf.hawaii.gov. Click on the following links that may be pertinent:
- 2011 Open Enrollment Information – then click on “2011 Retiree Open Enrollment Notices”
 - EUTF Forms
 - Links to Carrier Web Sites
 - Administrative Rules
 - Chapter 87A, HRS 2009
- c) For questions related to the **benefits** of the health plans, contact the carriers directly:
- ChiroPlan: Honolulu (808) 621-4774, Neighbor Islands (1-800) 414-8845
 - HDS: (808) 529-9310; Toll-free (1-800) 232-2533 x310
 - HMA: (808) 954-8796, Toll-free (1-866) 826-5335
 - HMSA: Oahu 948-6499, Toll-free 1-(800) 776-4672
 - Kaiser: (808) 432-5955, Toll-free (1-800) 966-5955
 - informedRx: Toll-free (1-866) 533-6977
 - Royal State: (808) 539-1600, Toll-free (1-800) 890-9022
 - VSP: Honolulu (808) 532-1600, Toll-free (1-800) 522-5162
 - Standard Life: Toll-free (1-888) 408-2298
- d) For questions related to **eligibility, status of your enrollment, required supporting documents, and timing of submission of forms**:
- Email EUTF at: eutf@hawaii.gov, or
 - Call the EUTF Call Center at 586-7390, or Neighbor Island retirees may call us toll-free at 1-800-295-0089.

Q23. I’m retiring from the Department of Education on December 31, 2010, will I be enrolled in the retiree plan specifically created for HSTA VEBA retirees, or the EUTF retiree plans?

A23. You will be enrolled in the retiree plans specifically created for HSTA VEBA retirees.

Q24. If I am an HSTA VEBA retiree survivor, does this transition and open enrollment apply to me?

A24. Yes.

Note: The enrollment of HSTA VEBA retirees into these new health and other benefit plans is being done solely to comply with Judge Sakamoto’s oral ruling and not to create any constitutional or contractual right to the benefits provided by these plans. Please note that the State does not agree with Judge Sakamoto’s ruling and reserves the right to move HSTA VEBA retirees into regular EUTF plans if Judge Sakamoto’s ruling is overturned or modified.

Attachment #1: Open Enrollment Informational Sessions Schedule for Active Employees

Open Enrollment Information Session Schedule for Active Employees

Date	Location	Time
Monday January 3, 2011	Leeward Community College GT105 (Oahu)	8:30 – 10:30 11:00 – 12:30 3:00 – 4:15
Tuesday January 4, 2011	Lanai Library (Lanai)	1:30 – 2:30 3:00 – 4:00
Wednesday January 5, 2011	Aunt Sally's Luau Hale (Hilo)	10:00 – 11:30 1:00 – 2:30 3:00 – 4:15
Thursday January 6, 2011	Maui Community College Kalama 103 (Maui)	10:00 – 11:30 1:00 – 2:30 3:00 – 4:15
Thursday January 6, 2011	Leeward Community College GT105 (Oahu)	8:30 – 10:30 11:00 – 12:30 3:00 – 4:15
Friday January 7, 2011	U.H. Kuykendall Auditorium (Oahu)	8:30 – 10:00 10:30 – 12:00 3:00 – 4:15
Monday January 10, 2011	Mitchell Pauole Community Center (Molokai)	2:30 – 3:30 3:45 – 4:30
Tuesday January 11, 2011	Kapolei Hale Conference Rm A & B (Oahu)	8:30 – 10:00 10:30 – 12:00 3:00 – 4:15
Wednesday January 12, 2011	State Capitol Auditorium (Oahu)	8:30 – 10:00 10:30 – 12:00 3:00 – 4:15
Wednesday January 12, 2011	Yano Hall (Kona – Captain Cook) Natural Energy Laboratory (Kona – Kailua)	10:00 – 11:00 11:30 – 12:30 3:00 – 4:15
Thursday January 13, 2011	Aunt Sally's Luau Hale (Hilo)	10:00 – 11:30 1:00 – 2:30 3:00 – 4:15
Tuesday January 18, 2011	Mission Memorial Auditorium (Oahu)	8:30 – 10:00 10:30 – 12:00 3:00 – 4:15
Tuesday January 18, 2011	Kauai War Memorial Convention Center (Kauai)	10:00 – 11:30 1:00 – 2:30 3:00 – 4:15
Wednesday January 19, 2011	Kauai War Memorial Convention Center (Kauai)	10:00 – 11:30 1:00 – 2:30 3:00 – 4:15
Wednesday January 19, 2011	Mission Memorial Auditorium (Oahu)	8:30 – 10:00 10:30 – 12:00 3:00 – 4:15
Thursday January 20, 2011	Wailuku Community Center (Maui)	10:00 – 11:30 1:00 – 2:30 3:00 – 4:15
Friday January 21, 2011	Windward Community College Akoakoa 105 (Oahu)	8:30 – 10:00 10:30 – 12:00 3:00 – 4:15

Location Address

Oahu

Leeward Community College, GT105

96-045 Alaike Street
Pearl City, HI 96782

Kapolei Hale, Conference Rm A & B

1000 Uluohia Street
Kapolei, HI 96707

Mission Memorial Auditorium

City Hall Annex
550 S. King Street
Honolulu, HI 96813

U.H. Kuykendall Auditorium

2445 Campus Road
Honolulu, HI 96822

State Capitol Auditorium

415 S. Beretania Street
Honolulu, HI 96813

Windward Community College

Akoakoa 105
45-720 Keaahala Road
Kaneohe, HI 96744

Neighbor Island

Lanai –Lanai City

Lanai Library
555 Fraser Avenue
Lanai City, HI 96763

Maui-Kahului

Maui Community College, Kalama 102
310 Ka’ahumanu Avenue
Kahului, HI 96732

Maui-Wailuku Community Center

395 Waena Place
Wailuku, HI 96793

Hawaii-Kona (Captain Cook)

Yano Hall
82-6156 Mamalahoa Highway
Captain Cook, HI 96750

Hawaii-Hilo

Aunt Sally’s Luau Hale
799 Piilani Street
Hilo, HI 96720

Molokai-Kaunakakai

Mitchell Pauole Community Center
90 Inoa Street
Kaunakakai, HI 96748

Kauai-Lihue

Kauai War Memorial Convention Center
4191 Hardy Street
Lihue, HI 96766

Hawaii-Kona (Kailua)

Natural Energy Laboratory
73-4460 Queen Ka’ahumanu Highway
Kailua-Kona, HI 96740